

NOTE:

This case study has been used to inform Chapter 6 of the book,
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The case study has not been subjected to an editorial process.
The views and opinions expressed therein are those of the author.

Case Study on Strategic Alliances:

The online Master of Distance Education & Certificate in Distance Education programs jointly offered by the University of Maryland University College & Carl von Ossietzky University of Oldenburg

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1. Background

The development of the Master of Distance Education (MDE) program began in 1995, when Ulrich Bernath, Director of the Center for Distance Education at Carl von Ossietzky University of Oldenburg/Germany, and Eugene Rubin, at that time Director of the Office for Instructional Design at the University of Maryland University College/USA conceptualised a virtual seminar for professional development in distance education to address what they perceived as two critical needs:

- The need for faculty and administrator training programs in which new distance education faculty and administrators can develop a broader perspective of the general foundations of distance education and can learn critical knowledge and skills in the field.
- The need for a global perspective among distance education faculty and administrators so that they can benefit from the knowledge of how other institutions approach distance education and solve problems, particularly in cross-cultural contexts. (cf. Bernath, 1996)

Given that need for professional development and training in distance education, both submitted a proposal in 1995 to participate in the "Global Distance Learning Initiative" of the International Council for Open and Distance Education (ICDE), which, in collaboration with the AT&T Foundation, offered a series of grants for research and exploration in the area of distance education. They were awarded a grant for 1996/97 to develop and test the "Virtual Seminar for University Faculty and Administrators 'Professional Development in Distance Education'". The Virtual Seminar was offered in 1997 as a successful experiment, and in 1998 two further Virtual Seminars were run on a self-supporting basis. The three Virtual Seminars attracted 127 faculty and distance education administrators from 24 different countries. The teaching faculty as well as most of the participants, experienced for the first time a virtual seminar, organised as an asynchronous communication process in an online learning environment. The seminar was thoroughly evaluated and the results are well documented (c.f. Bernath & Rubin 1999; 2001).

2. From Project to Programme Collaboration: The Transition from the Virtual Seminar to the MDE Program

The Virtual Seminar had been a collaborative endeavor of two individuals with the agreement of their respective institutions. To expand this concept both realised that they needed to more directly involve each institution. As a result of their extensive collaboration on the curriculum and the structure of a possible program, an outline of a full graduate program was developed, and a proposal was made by the end of 1998 to both institutions for an online Masters

program including graduate certificate programs in distance education. The UMUC Executive accepted the proposal and took the lead for the establishment of the Master's program. The proposal for the Master of Distance Education was submitted to the Maryland Higher Education Commission (MHEC) in March 1999. In parallel Oldenburg University submitted a grant proposal to its respective State of Lower Saxony in Germany and received funds in 1999/2000 for the development and testing of four courses aimed at constituting a Foundations of Distance Education certificate program as an integral part of UMUC's Master of Distance Education program.

While the proposal was formally approved by MHEC, and UMUC formally committed itself to the program by announcing its start by the spring term of 2000, the program began without a significant investment in staff by the partnering institutions. The program was from the beginning under pressure to generate revenue to justify staffing.

3. The Formalisation of the Partnership

Since the personal working relationship already existed as a result of the Virtual Seminar, a simple yet fair set of terms needed to be negotiated. Knowing that institutional agreements are often difficult and complicated, it was felt that a successful collaboration needed to be straight forward and built on a feeling of trust and in a win-win environment. It was agreed that UMUC would be the degree-granting institution with Oldenburg as a partner contributing a certificate and courses within this degree. Furthermore UMUC would be responsible for all of the student administration as well as for the learning management system and the web-based delivery system. Each institution would develop its respective courses and hire and manage its faculty. It was further agreed that course and faculty development would be a shared responsibility.

Table 1: The UMUC/UNI OL Model of Collaboration (as of Fall 2002)

UMUC	Academic Resources	
	UMUC	UNI OL
Central Administration (services to the MDE, selected):	Graduate School	School of Education and the Centre for Distance Education
- Information Technology Department with WebTycho working group and helpline 24/7 - Student Services, - Registry (student records) - Library Services with copyright clearance - Department of Marketing and Communication	Program Chair Program Director 2 full-time faculty 8 adjunct faculty 1 part-time secretary 1 part-time DE Coordinator	Academic Chair Executive Director 2 full-time faculty 8 adjunct faculty 1 part-time staff 1 part-time "faculty support" person

Table 1 shows that each institution has added both full-time faculty and management staff beyond the initial Program Chair/Executive Director.

According to Rumble & Latchem (2003, p. 128) the following range of reasons became relevant for the MDE program co-operation:

- share costs/spread them over a larger number of students
- share resources, academic or commercial expertise
- share risk
- form alliances with potential competitors and interlopers

- attract funding opportunities
- form public-private partnerships to provide online courses
- achieve a competitive edge and greater market share
- be fast to market or cope with major market demand through joint course development
- promote and operate credit transfer
- jointly market programs
- capitalise on partners' knowledge of, and reputations in local markets
- accommodate other countries' governmental requirements
- ensure adequate provision of local services (e.g. marketing, counselling, admissions, registration, examination...)
- de-bundle learning materials, tutorial support and course assessment
- achieve a franchise arrangement.

4. The Subcontractor Model: Its Costs & Benefits

Oldenburg University's position in the MDE program partnership can be described as such of a subcontractor. Costs and the benefits from Oldenburg's point of view can be described:

During the time between January 2000 and August 2002 the University of Oldenburg earned €530 000 in tuition fees, while the total costs during this time amounted to €660 000. Thus, approximately 80% of the activities were financed through revenues. The spectrum of activities included the development and implementation of Oldenburg's courses and the formation of an independent research focus point through the *Arbeitsstelle Fernstudienforschung* (ASF) - a joint unit of the School of Education and the Center for Distance Education (ZEF) to promote research and development in distance education -.

Hülsmann (2003) provides a detailed cost analysis for both the development and the implementation process of Oldenburg's MDE courses. The determined costs of course development are between €6 000 and €23 500. The costs for presentation (i.e. the actual teaching) of a course sway between €5 000 and €6 500 per course.

From January 2000 to the summer term 2003 a total of 949 students successfully completed 42 courses provided by Oldenburg University. Since each course is rated with three credit points and the degree requires 36 students in courses offered by Oldenburg university earned 2 847 credits or 79 (i.e. 2 847/36) full degree equivalents. Given a total cost of €660 000 Euro and 79 degree equivalents the cost per degree equivalent amounts to approximately €8 350 Euro; and for 949 course enrolments the costs per course amount to approximately €700. Thus, the University of Oldenburg contributes the amount of €1 670 to each degree and €140 to each course participant from its own funds. This includes non-recurring and short- term funds provided from the university's structural fund. At the end of 2004, when the University of Oldenburg ceased internal funding the financial contribution dropped to approximately €900 per degree and approximately €80 per course enrolment. Given the high rate of cost recovery through tuition the university's investment in the project is quite low.

The quality of the outcomes has been acclaimed. The MDE received the "2003 Program of Excellence Award" from the Distance Learning Community of Practice of the University Continuing Education Association (UCEA) (www.ucea.edu/2003copawards.htm) and received the Sloan Consortium's 2003 "Most Outstanding Online Teaching & Learning Program" Award (www.sloan-c.org/aboutus/awards.asp/). Against the benchmark of UMUC's standardised course evaluations the instructional activities in the University of Oldenburg courses are well above average and contribute to this success.

There have been a number of spin-offs from the MDE co-operation. They include: The ASF book series on distance education (www.uni-oldenburg.de/zef/mde/series/); The partnership with the World Bank's Global Development Learning Network, which led to the Task Force Distance Education for Sustainable Development (www.uni-oldenburg.de/zef/dede/). The joint certificate program development "Distance Education for Development" with the University of British Columbia (http://maple.ubc.ca/mapletest/revisions_ded/index.html); and the successful bid for hosting the 3rd EDEN Research Workshop in Oldenburg (<http://www.uni-oldenburg.de/zef/eden/links.htm>).

However, given that the outcomes of the co-operation neither serve students of the University of Oldenburg nor are economically profitable, it may be asked why Oldenburg University supports the program?

This may be seen on three levels:

First, taking part in such an internationally acclaimed online program enhances the profile and international visibility of the institution and within the professional world of distance education.

Second, participating in such pioneering programs can also be seen as a measure of internal capacity building. The co-operation enables gaining rich experiences in (i) how to reach international audiences including the teaching of courses in a language other than German; (ii) how to conduct effective online courses; (iii) how to generate additional revenue flows by offering further education and professional training programs.

Third, these operations provide employment opportunities, which allow the university to sustain a knowledge base in an operational area which is likely to expand (cf. Table 1).

5. Conclusions

While both UMUC and Oldenburg had independently examined the possibilities of delivering courses, a certificate, or a degree program in distance education, they both realised that there were great benefits to a collaborative approach. They sought a model that would allow both institutions to capitalise on their particular areas of strength – UMUC's course platform system and experience in distance education, as well as Oldenburg's specialisation in international distance education. Thus, the MDE represents a program that neither institution would have been able to achieve individually without substantial additions to cost.

Both UMUC and Oldenburg have benefited substantially from the implementation of the Master of Distance Education. MDE students and faculty are making important contributions to the field by positioning the pedagogical, technological, societal, and management-oriented aspects of distance education in a broader international context.

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The MDE websites can be found at:

<http://info.umuc.edu/mde/> and <http://www.uni-oldenburg.de/zef/mde/info/>